



KTA- COMPETE CAPACITY ENHANCING TO SUSTAINABILITY

2012 QUARTER 1 TECHNICAL ACTIVITIES REPORT

(JANUARY 2012 – MARCH 2012)



Participants follow proceedings at the just concluded Truckers Forum in South Africa. At this Forum, KTA Chairman Paul Maiyo was elected the Chairman of FESARTA.

KTA – COMPETE GRANT – BASIC INFORMATION

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1 OBJECTIVE

The core objective of this report is to highlight and analyze extents to which targets set during the first quarter of the year 2012 have been met, challenges encountered and suggestions on the way forward.

Achievements will be measured based on the three (3) pillars outlined in the KTA Strategic Plan.

- Advocacy.
- Institutional Development and Sustainability.
- Member Services.

NARRATIVE REPORTS

2 ADVOCACY.

2.1 Truckers Forum - 2012

KTA attended the above forum between 14-15 March at the Sandton, Convention Centre, South Africa. The core purpose of this forum was to among other elucidate the challenges encumbering truckers along the northern, central and southern corridors and explore possible solutions. The outcome of the deliberations will be presented to the COMESA/EAC/SADC Tripartite Alliance Taskforce in the form of a report for inclusion in the Trade and Transport Facilitation Programme Annual Work Plan.

The objectives of the forum were;

- Facilitation of efficient movement of goods for improved intra regional trade
- Working to reduce bureaucracy
- Getting rid of non-tariff barriers

The Forum discussed and made recommendations on a number of issues of common interests to KTA members. The topics covered during the Forum included;

- a. **Border procedures, documentation, smuggling and infrastructure:** The forum recommended among others; the implementation of an integrated border management system; bi-monthly meetings between customs and private sector to review emerging issues; a single authority to oversee management of border posts; prior electronic declarations before trucks arrive at border points and; improved efficiency by clearing agents.
- b. **Load limits and overloading control:** The forum recommended that; weighbridge certificates issued at the point of origin be acceptable along the corridor as long as the seals are intact; trucks be weighed only at the loading and off-loading points; all weighbridges be calibrated every six (6) months.
- c. **Excessive and arbitrary charges, levies and taxes:** The forum recommended that; NRTAs be represented on government committees charged with effecting fees/charges earmarked for infrastructure upgrades; sufficient notice be given to transporters before effecting new levies/fees; cashless transactions should be encouraged along the corridors.

- d. **Unacceptable level of road safety:** The forum observed this issue as being one of the biggest challenges of our time. Upon extensive deliberations, the following measures were proposed to mitigate this problem; that annual training/ refresher courses for drivers and fleet managers/owners be made mandatory through government legislation; that training standards by the private sector and state departments be harmonized to make them cohesive and effective; that wellness centers and safe parking areas be set up at strategic points along the corridors. This should be a collaboration between the private sector and the government; that the concerned governments should prioritize enhancement of security for road crews especially cargo trucks and; that only roadworthy trucks should be deployed on the roads.
- e. **Low level of adherence to regulations and poor relationship with authorities:** The forum recommended that NRTAs should formulate realistic codes of conduct and put in place measures to ensure compliance and; that recommendations made by the regional body should be adopted and implemented nationally.

During the forum, Mr. Paul Maiyo – KTA Chairman was elected to the chairmanship of FESARTA. This is a reflection of the confidence the regional body has in KTA as we continue to spearhead promotion of road safety and orderly working within the industry. This recognition comes at time when we are in the process of setting up a training institute for drivers and will be a major boost in popularizing this initiative. Clearly the chair and the rest of the executive committee members are steering KTA in the right direction.



KTA CEO- Jane Njeru addresses participants at the Truckers Forum-2012 in South Africa. She made a presentation on road safety.

2.2 Draft East African Community Vehicle Load Control Bill 2012

KTA Ltd continues to agitate for the harmonization of vehicle load limit within the region as a key catalyst for the East African integration. Our effort has been driven by the need to mitigate overloading, reduce corruption at the weighbridges, and to protect roads and the investments of our members and the transport industry at large. We continue to engage with the Ministry of East African Community as we seek to have weighing procedures at all weighbridges within the East Africa region harmonized in order to avoid problems such as one being witnessed at Bustema weighbridge, Uganda.

The draft Vehicle Load Control Bill 2012 has therefore come at an opportune time. Our view is that such an important piece of legislation should strive to enhance uniformity in vehicle load management. Being a major stakeholder in this area, KTA participated in a stakeholders' workshop to consider the draft East African Community Vehicle Load Control Bill 2012 organized by the Ministry of East African Community in the month of February.

2.3 Draft Petroleum Regulations

We sought the recommendations and concerns of our members undertaking in transportation of petroleum products regarding this draft bill as published by the Energy Regulatory Commission. These were then collated and subsequently submitted to ERC in the form of a memorandum for their consideration in the final bill.

2.4 TMEA/KTA/TTCA-NC Projects

KTA and TMEA have initiated the e-portal single window project, the GPS project and the Northern Corridor Transport Observatory Project. The Trucking Industry Survey (TIS) sponsored in partnership with the World Bank is currently underway. The data collection stage by way of questionnaires has been completed, and the data is at the analysis stage. The Mombasa Polytechnic University College provided the field personnel to collect the data by interviewing our members. In order to fast track this process the KTA secretariat circulated a communiqué introducing the project to our members who were also encouraged to provide the required information to the interviewers. In the intervening period during the data collection members were regularly sent reminders to keep the survey on course. This stage went on without any major hitches. Also TMEA has already seconded to KTA an IT consultant to spearhead the e-portal single window, GPS, and Transport Observatory Projects. The consultant is based at the KTA secretariat. It is our belief these and other road surveys being sponsored in partnership with the World Bank will put KTA on a strong pedestal in executing its mandate.

2.5 Transit Goods Licensed Trucks.

During the month of February an initiative by KTA to lobby Kenya Revenue Authority (KRA) to allow Transit Goods Licensed trucks to carry return cargo eventually paid off. An authorization has been granted by KRA to the effect that Kenyan TGL trucks can now carry return cargo from outside Kenya so long as they stick to the prescribed Northern Corridor route. Transportation of local non bonded cargo from one station/town to another within Kenya will be done with prior approval of respective KRA customs officials. Steps have already been taken to sensitize members on the laws and regulations governing Transit Goods Licensed trucks.



KTA Chairman Mr. Paul Maiyo addressing KTA members at the Castle Royal Hotel Mombasa on March, 2012 during the first members meeting of the year. Among the issues he highlighted was the authority granted by KRA allowing Transit Goods Licensed trucks to carry return cargo.

3 INSTITUTIONAL DEVELOPMENT AND SUSTAINABILITY.

3.1 Recruitment of IT consultant

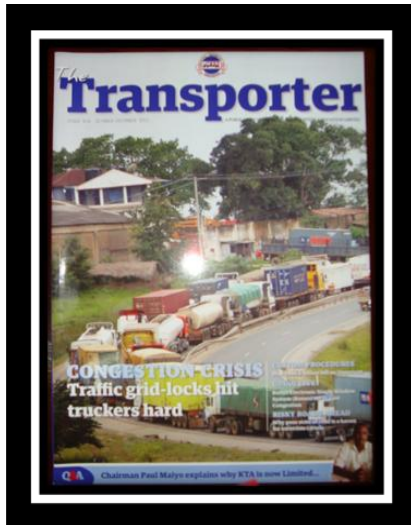
The IT consultant has been seconded to KTA by TMEA. The recruitment of the IT Consultant was done in March 2012. The Consultant, Mr. Noah Kipyegon is a graduate from Kenyatta University and has vast experiences in ICT related matters. While at KTA, he is expected to among other things; spearhead the TMEA e-portal single window project, the GPS project, the Northern Corridor transport observatory project and other road surveys being sponsored in partnership with the World Bank; revamp the KTA website; develop an efficient database system; and to handle all IT matters at the secretariat.

3.2 The Transporter Magazine

The month of January saw the publication of The Transporter- 14th edition. A total of 1,500 copies of the Transporter were distributed to KTA advertisers, KTA members and various stakeholders. This edition received numerous accolades and it's now clear that The Transporter has become a mainstream publication. However, a few challenges were noted in putting together the publication among them; limited time to execute sale of space;

late submission of orders and artworks, submission of sub standard artworks. To mitigate these challenges, the Secretariat came up with measures to ensure strict adherence to timelines. Some of these measures include; encouraging potential advertisers to book four editions at once, issuing artwork submission guidelines to clients; closing sale of space well within time and pushing for timely submission of artwork.

In order to achieve these targets in the 15th edition and build on the past gains, a new sales team was recruited in the same month. The sales team worked tirelessly to get advertising orders and the results of these efforts are encouraging. The Transporter- 15th edition template is already with the printer for publishing. We expect to fully distribute copies of the magazine (1 500 copies) to our advertisers, members and other stakeholders within the first two (2) weeks of publication.



4 MEMBER SERVICES

4.1 Industrial Training

KTA has obtained from the Directorate of Industrial Training (DIT) the requirements and procedures for registration, levy remittance and training costs reimbursements. This information is important to our members registered with DIT in claiming refunds when their staff members go for various trainings. The elaborate details of these requirements and procedures will be circulated to members in due course.

4.2 Drivers Central Database

KTA Secretariat is in the process of developing a central drivers' database. The core purpose of this program is to provide a single source of information on truck drivers in Kenya, monitor driver turn-over rate, manage driver migration, evaluate and mitigate afflictions between truck owners and drivers, foster good relations between truck owners and their drivers and, to also act as drivers' recruitment pool. USAD- COMPETE and TMEA have shown interest in the program. TMEA has been approached for support of this program as is indicated in the KTA/TMEA aide memoire of 2010. KTA members have been requested to provide their drivers details for this purpose. Notable, the response from our members is very encouraging and we hope to have a fully functional, detailed and user-friendly database. It is our considered view that this program will go well with the Training Institute.

4.3 Oils and Lubricants Training

This training was organized in partnership with Total Kenya to target workshop/garage managers, procurement and stores managers, fleet/transport managers and transport supervisors. The one day training took place in Mombasa at no cost to the attendees.

4.4 Members Meeting

On March 29, 2012 KTA convened a fairly well attended members meeting at the Castle Royal Hotel in Mombasa. A total number of forty-nine (49) KTA members including Executive Committee members attended the members meeting. The attendees were largely drawn from Mombasa and a few from Nairobi. The meeting was convened largely to share with members new developments in the first quarter, highlight on the key progress areas in the past year and to reflect on the key interest areas going forward.



A section of KTA members who attended the first meeting of the year at Castle Royal Hotel

The enthusiasm and participatory approach exhibited during the meeting is very encouraging. Being the first meeting of the year, members were obviously eager to know what was in store for the year. During the interactive session, members spoke freely of the challenges they were facing and the possible way forward. It was instructive that members trusted KTA to find tangible solutions to these perennial challenges.



A member making contributions at the meeting

The meeting discussed the following key point;

- a. **The progress report for the past year:** Members were informed of the key successes on advocacy and member services in the year 2011/2012. Main areas highlighted were; the on-going e-portal single window, GPS and Road Survey projects being piloted by KTA in partnership with Trade Mark East Africa, and the Northern Corridor. The objective of the project is to obtain fact-based information for use on advocacy campaigns; the obtaining of a written confirmation by the Chairman Music Copyright Society of Kenya exempting prime movers from radio/music permits; creation of a central database for drivers and; successful quarterly publication of 'The Transporter' Magazine. Members were encouraged to advertise in the magazine in order to tap into the wide market reach.



KTA CEO taking members through the progress report. From far right; Habil Kalasani- Program Officer; Imran Pasta-KTA Secretary, Paul Maiyo- KTA Chairman. From far left; Lucas Dindi- KTA Organizing Secretary; Sikander Pasta- KTA Assistant Organizing Secretary.

- b. **FESARTA Truckers Forum:** Members were briefed on the outcome of the just concluded FESARTA Forum. Members were elated by the elevation our Chairman, Mr. Paul Maiyo to the chairmanship of FESARTA. Indeed KTA Secretariat is already putting in place mechanism to offer maximum support to the chairman in fulfilling his new mandate. A full report of the recommendations of this Forum has already been circulated to members for their input. The core objective being to get as many views as possible from our members to be incorporated in the final report.
- c. **Total/ World Bank Directors' Training:** Member services being one of the key pillars of our Strategic Plan, we have in the past deliberately partnered with major stakeholders in projects aimed at accruing significant benefits to our members. It is in this respect that we have entered into partnership with Total (K), Trademark East Africa and the World Bank to organize trainings covering Company Directors, Fleet Managers, Drivers and other support staff that are stakeholders in the Road Safety campaign. Members have been encouraged to take advantage of these training programs in order to enhance road safety, improve management skills and increase work efficiency. A number of such trainings have been lined for the year.

- d. **Annual General Meeting:** The Annual General Meeting (AGM) will be held on 16th June 2012 at a venue to be communicated to members later. Among the items to be discussed during this meeting is the transformation of KTA into a limited company. This matter was ratified during the last AGM and the process has been finalized with KTA obtaining the company status. Copies of the Articles and Memorandum of Association have been circulated to members for their review pending further deliberations at the 2012 AGM.
- e. **Transit Goods New Regulations:** The meeting discussed the authorization granted by KRA for Kenyan TGL trucks to carry return cargo from outside Kenya. Members were of the opinion that this move is economically sensible and would lead to improved business prospects.
- f. **KeBS Monthly Levies:** Members discussed the newly introduced Kenya Bureau of Standard monthly levies. Members were of the opinion that the issue be left pending until KeBS effects levy collection. KTA would afterwards seek clarification on matters arising from transportation standards. It was decided that KTA employs the services of a lawyer in-house to deal with such technical matters of law. It was also observed that this would be more cost effective than obtaining such services from outside.
- g. **MCM proposed fees and charges:** Through intense lobbying initiated by KTA and other stakeholders, a court injunction suspending the implementation of the arbitrary charges has been obtained through a private individual. KTA is enjoined in this case through the Kenya National Chamber of Commerce and Industry. The matter awaits determination by the court.
- h. **Truck Drivers Training Institute:** Steps to set up the institute are in top gear. KTA is currently sourcing for a viable, cost effective premise to house the institute. A number of premises have been visited and a conclusive decision is to be made in due course. Members are very supportive of this initiative as clearly exhibited in their comments during the meeting. We believe this eagerness will necessarily translate into large turnout once the institute is operationalized. KTA has partnered with TMEA to develop a comprehensive curriculum for this institute. A consultant to assist in this has been recruited and is expected at our offices to commence the process.